



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **1 VAC 50-10 – Public Participation Guidelines**

#### **Department of Housing and Community Development**

December 9, 2004

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

Section §15.2-2903 of the Code of Virginia provides the Commission on Local Government the authority to develop regulations, including rules of procedure for conducting hearings.

The proposed regulation updates the public participation guidelines of the Commission on Local Government (the commission). It updates the regulation to reflect changes in the Administrative Process Act and the use of email and fax as routine forms of communication. It also removes outdated and obsolete provisions and language in the existing regulation.

### **Estimated Economic Impact**

The proposed regulation repeals existing sections of the regulation and replaces them with new sections that reflect changes in the Administrative Process Act and in modes of communication since the regulation was last amended in 1984. The changes include updating

the existing notification requirements by requiring the commission to establish and maintain a list of interested parties who are to be mailed documents (or notified as to where they may obtain the documents electronically) relevant to the promulgation, amendment, or repeal of a regulation at various stages of the regulatory process. The proposed regulation also updates the identification of interested parties and the management of the mailing list. Interested parties wishing to be put on the mailing list can notify the commission of their interest electronically or by writing to the commission. The commission can also add people to the list whose involvement it believes will serve to enhance public participation in the regulatory process. The commission is also allowed to delete inactive entries from the list when a letter sent to a postal address is returned as undeliverable or when a notice sent to an email or fax address is returned as undeliverable over two 24-hour periods at least one week apart.<sup>1</sup> The section in the existing regulation specifying the content of a notification of regulatory action has been replaced with the current requirements of the Administrative Process Act, i.e., that an agency provide the Registrar of Regulations with a Notice of Intended Regulatory Action that describes the subject matter and intent of the planned regulation, provide at least 30 days for public comment after publication of the Notice of Intended Regulatory Action, and file proposed regulations with the Registrar only after the public comment period on the Notice of Intended Regulatory Action has closed.

The proposed regulation includes additional language that reflects the requirements of the Code of Virginia. It includes a requirement that the commission periodically review the effectiveness and continued need for a regulation. It also includes provisions for the suspension of the regulatory process under certain conditions and for the appointment of an ad hoc advisory committee to ensure adequate participation in the formulation, promulgation, adoption, and review of regulations. The proposed regulation also requires public commenters be provided with a summary of all public comment at least five days prior to the adoption of a regulation. Finally, the proposed regulation allows citizens to petition the commission to promulgate new regulations or to amend existing regulations and requires the commission to consider and respond to each petition within 90 days of its receipt.

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<sup>1</sup> Currently, the proposed regulation allows the commission to delete names from the list of interested parties if electronic notifications are returned as undeliverable over more than one day. However, the agency has agreed to modify the proposed language to state that names can be deleted from the list of interested parties if electronic notifications are undeliverable over two 24-hour periods at least one week apart.

The proposed regulation deletes outdated and obsolete provisions and language in the existing regulation. The commission is no longer required to publish a notice in newspapers and periodicals or distribute press releases indicating the intent to amend a regulation. The requirement to hold a public hearing for the receipt of public comment on a proposed amendment has also been removed. Electronic means of communication have reduced the need for mandatory public hearings in order to receive public comment. Interested parties can email, fax, or write to the commission with their comments during the public comment period. However, the code provides an agency with the authority to hold public hearings when it deems them necessary.

The proposed regulation is not likely to have a significant economic impact. All the proposed changes are intended to make the regulation consistent with the Code of Virginia and to allow for the use of electronic means of communication. There are not likely to be any significant costs or benefits arising out of the proposed changes. To the extent that the proposed changes enhance public participation and lead to improvements in the regulatory process, they could produce some economic benefits.

### **Businesses and Entities Affected**

The proposed regulation updates and makes changes to the public participation guidelines of the commission. Thus, the proposed changes affect all businesses and entities regulated by, interested in, or otherwise affected by regulations promulgated by the commission. The number of such businesses and entities is not known.

### **Localities Particularly Affected**

The proposed regulation applies to all localities in the Commonwealth.

### **Projected Impact on Employment**

The proposed regulation is not likely to have a significant impact on employment in Virginia.

### **Effects on the Use and Value of Private Property**

The proposed regulation is not likely to have a significant impact on the use and value of private property.